

البنك الأهلي
ahlibank



Loan Agreement against pension

(General retirement and
Social Insurance Authority)

On / /

This Agreement is made by and between:

First Party

Ahli Bank (QPSC), Commercial Registration No. (8989), with its headquarters located at Al Sadd Area, P.O. Box: 2309, Doha, Qatar

(Hereinafter referred to as **“the First Party - the Bank”**)

Second Party

Mr./Ms.

Qatari Nationality – Holding ID No: (),

Address: Zone () – Street () – Building ()

Email:

(Hereinafter referred to as the **“Second Party - Borrower”**)

Preamble

Whereas, the General Retirement and Social Insurance Authority (hereinafter referred to as the “Authority”) has launched an initiative to grant loans to retirees in accordance with the general terms and conditions attached hereto (**Schedule “2”**) through several Qatari banks (hereinafter referred to as the **“Initiative”**)

Whereas, the Second Party has applied for a loan subject to the terms and conditions of the Authority Initiative, with a maximum amount of QAR [maximum amount is QAR 300,000] [maximum amount is QAR 300,000] Qatari Riyals) (hereinafter referred to as the **“Loan”**) through its account No. () with the First Party (Hereinafter referred to as the **“Account/ Loan Account”**) for the purpose mentioned herein.

Whereas the First Party has agreed to grant the Second Party the Loan, provided that the First Party obtains the Authority's guarantee for the Loan, as a guarantee and security for the full repayment of the Loan, and any other direct or indirect liabilities arising from the Loan Account.

Whereas, the parties have agreed and acknowledged their legal capacity to enter into this Agreement, they have agreed as follows:

Clause 1

The foregoing preamble, the repayment schedule signed by the Second Party (**“Schedule 1”**), and the list of terms and conditions signed by the Second Party (**“Schedule 2”**) shall be considered integral parts of this Agreement and shall be deemed supplementary and complementary thereto.

Clause 2

Loan

Pursuant to this Agreement, the First Party has granted the Second Party, who accepts the same, a loan through the Loan Account, for the purpose of (hereinafter referred to as the **“Purpose”**).

Clause 3

The Second Party shall repay the full Loan amount granted under this Agreement, in ([maximum 60 months]) equal monthly installments. Each installment shall amount to QAR (Qatari Riyals). The first installment shall be due on / / , and the last installment on / / , in accordance with the repayment schedule attached hereto (**“Schedule (1)”**), which is considered an integral part and

supplementary hereto. The final installment amount may be adjusted based on the final accounting of the indebtedness according to the books and records of the First Party, which shall be conclusive evidence against the Second Party and shall not be subject to later objection.

Clause 4

In the event that the Second Party fails to pay any instalment or any amounts due under this Agreement, the remaining unpaid installments shall become immediately due and payable, and the outstanding balance arising from the Loan shall become immediately due in full without the need to notify or warn the Second Party, and without the right to object it.

Clause 5

It is also agreed that all accounts and other credit balances of the Second Party shall serve as a guarantee for the repayment of the debit balances arising from this Agreement, and the First Party shall have the right to deduct from these accounts directly without any objection thereto. The First Party shall also have the right to set off against any funds deposited by the Second Party. The First Party is entitled to deduct from any coming pensions within the abovementioned monthly instalment.

Clause 6

The Second Party undertakes and agrees to comply, unconditionally and irrevocably, throughout the term of the Loan granted under this Agreement and until full repayment, to adhere to the general terms and conditions attached hereto ("Schedule 2").

Clause 7

As a guarantee and security for the Loan and any renewal or extension thereof and any other direct or indirect obligations arising on the Loan Account, and pursuant to the provisions of Law No. (16) of 2021 (hereinafter referred to as the «Law») with respect to pledging accounts, the Second Party pledges all its existing accounts with the First Party (hereinafter referred to as the «Pledged Accounts»), in favor of the First Party in accordance with the provisions of the Law, and the Second Party acknowledges the following:

- (1) that such pledge applies to all amounts existing or received on the Pledged Accounts from time to time (hereinafter referred to as the «Pledged Monies»), and to all interest, profits, in-kind or cash benefits and cash prizes existing or received on the Pledged Accounts from time to time;
- (2) that this pledge shall be a continuing guarantee for the Loan regardless of any payment of any part of the debit balance arising on the Loan Account;
- (3) In the event that the Second Party fails to pay any amounts due under this Agreement for any reason, or the Second Party breaches any of the terms and conditions mentioned herein, or in the event of a warning of a disturbance of the financial position of the Second Party, the First Party is entitled, at its absolute discretion in this regard, to apply the provisions of the pledge and make a temporary balance on the Pledged Accounts and fulfill all the obligations of the Second Party based on the Loan Account in addition to all expenses incurred by the First Party from the outstanding credit balances in the Pledged Accounts;
- (4) authorizing the First Party to directly transfer the Pledged Monies in the Pledged Accounts to the Loan Account to set off the Pledged Monies and the debit balances recorded on the Loan Account without the need to notify the Second Party or take any judicial proceedings in this regard, and the Second Party and waives its right to object to this procedure later;

- (5) that, in order to enforce this pledge, the debt owed to the First Party shall be in advance and shall have priority in the order over ordinary creditors and creditors following it in rank of any third parties in execution on the Pledged Monies;
- (6) It is hereby agreed, and pursuant to the above, that the First Party has the right to impound the monies in the Pledged Accounts until the payment of the dues of the First Party arising from the Loan and secured by this pledge;
- (7) That the pledge over the Pledged Accounts shall remain in force and valid against the Second Party and before its public and private successors, until the complete repayment of the Loan secured thereby; and
- (8) This pledge is considered an additional guarantee to any other collaterals and does not constitute a substitute for any other collateral to secure the Loan and the debit balance of the Loan.

Clause 8

The First Party shall have the right to assign its rights arising from this Agreement, in whole or in part, including all guarantees provided and specified in this Agreement, at its sole discretion, without requiring the consent of the Second Party, without objection from them now or in the future. The assignment shall be legally binding once the First Party decides to do so.

Clause 9

Any amounts paid in settlement of the loan subject to this Agreement, or part thereof, shall be deducted first from expenses, then from the principal of the Loan, in the foregoing legal order. The Second Party also acknowledges that any amounts paid in settlement of the loan shall be free from any current or future taxes or other deductions.

Clause 10

The entire outstanding balance arising from the loan granted to the Second Party under this Agreement shall become immediately due and payable without the need for any notice or warning in any of the following cases:

- (1) If the Second Party breaches any of their obligations under the terms of this Agreement or any other agreement or document;
- (2) If a judgment is issued for the bankruptcy of the Second Party, or if it's subject to an attachment or is unable to pay its debts, indicating a disturbance of their financial position;
- (3) If the Authority makes any amendments to the terms and conditions of the Initiative, or cancels the guarantee it has provided;
- (4) If the Bank, in its sole discretion, determines that any of the information, data, or documents provided by the Second Party to the First Party are incorrect;
- (5) If the Second Party passes away; or
- (6) If the Second Party fails to pay any installment or debt on its due date or upon demand or when due, which is due to the First Party by virtue of this Agreement or any other agreement or document.

The parties also agree that in the event of any of the aforementioned breaches, the First Party shall have the right to transfer, deduct, or offset between any of the accounts of the Second Party with the First Party, and to use the existing credit balances in any of those accounts to settle any debt owed by the Second Party, whether arising from the principal, or appendices of this Agreement or any other document this shall be considered an authorization to the First Party to do so, and it has no right to object thereto without the need to notify it or take any legal action.

Clause 11

The parties to this Agreement acknowledge that the books, records, and accounts of the First Party shall be conclusive evidence of the amounts due or which become due under this Agreement.

Clause 12

The addresses of the parties set forth at the beginning of this Agreement shall be the addresses (including the email addresses mentioned above) to which all correspondence and notices shall be sent.

Clause 13

This Agreement shall be governed by and construed in accordance with the laws of the State of Qatar. In the event of any dispute, the Qatari courts shall have exclusive jurisdiction.

Clause 14

This Agreement is drawn in Arabic and English languages, and in case of any discrepancies, the Arabic version shall apply.

Clause 15

This Agreement is executed in duplicate, one for each party to act accordingly.

First Party

Ahli Bank (QPSC)

Second Party "Borrower"

Mr./Mrs.

Schedule (2)

General Terms and Conditions

I know and hereby agrees on the following:

- (1) This loan amount is limited to 5 times pension disbursed to myself;
- (2) The minimum loan amount is QAR 10,000, and the maximum is QAR 300,000;
- (3) This type of loan can be taken only twice in the lifetime of the retiree;
- (4) Loan term is up to 5 years (60 months);
- (5) Loan amount does not exceed 25% Debt Burden Ratio ("DBR") calculated as (Total Repayments to Banks + 3% of the combined limits of all Credit Cards + regular payments) divided by Pension amount;
- (6) If my current DBR exceeds 25%, I will not be eligible to the loan;
- (7) If my current DBR is zero or less than 25%, the eligibility for the loan shall be limited to 25% of my DBR;
- (8) I have no right to obtain more than one loan from Qatari bank at the same time;
- (9) I cannot apply for Top-Up for this loan, or deferment for any of its installments;
- (10) Any other loan I request from the Bank is subject to the Bank's policies and Qatar Central Bank instructions;
- (11) The loan is not subject to interests, and the following fees:
 - (a) Processing fees for the loan;
 - (b) Early Loan Settlement or part thereof fees;
 - (c) Re-scheduling fees for the loan;
 - (d) Installment deferment fees for the loan;
 - (e) Life insurance cover related fees;
 - (f) Late payment fees for the loan; and
 - (g) Liability letter for this loan.
- (12) That the above declaration is true and accurate and that I have not withheld any information that may affect the Bank's decision; and
- (13) I have read and understood and agree to be bound by the terms and conditions of the Loan Agreement.

Borrower Signature